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COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

AT RICHMOND, October 26, 2001

PETITION OF

ONSITE ACCESS LOCAL, LLC

CASE NO. PUA010034

To transfer assets and discontinue  
and abandon service

ORDER GRANTING APPROVAL TO TRANSFER ASSETS

On July 3, 2001, OnSite Access Local, LLC (“OnSite” or “Petitioner”), filed a petition with the Commission under the Utility Transfers Act requesting approval of three transactions that would allow OnSite to withdraw from the Virginia telecommunications market. The first transaction will transfer assets to eLink Communications, Inc. (“eLink”), and Focal Financial Services, Inc. (“Focal Financial”). The second transaction will permit OnSite to discontinue the provision of telecommunications services to customers located within the Commonwealth of Virginia. The third transaction will allow OnSite to cancel its certificates of public convenience and necessity.

OnSite is a New York limited liability company headquartered in New York City. OnSite currently holds certificates of public convenience and necessity (“CPCNs”) to provide local exchange and interexchange telecommunications services. OnSite currently provides voice and data services to customers in Virginia. OnSite is currently experiencing financial distress and has filed for bankruptcy protection.

Focal Financial, a Delaware corporation, is a wholly owned subsidiary of Focal Communications Corporation. Focal Financial does not provide telecommunications services

and does not hold regulatory licenses from the Commission or any other regulatory commission. Focal Communications Corporation of Virginia ("Focal Virginia") is a Virginia Corporation headquartered in Chicago, Illinois. Focal Virginia holds CPCNs to provide interexchange telecommunications services and local exchange telephone services within Virginia.

On June 4, 2001, OnSite and eLink signed a letter of intent setting forth the parameters of eLink's proposed purchase of substantially all of OnSite's contract rights, customer lists, and equipment located in New York. eLink also plans to purchase a portion of OnSite's contract rights, customer lists, and equipment located in the District of Columbia, Maryland, and Virginia. In order to explore fully alternative options, OnSite submitted this proposal, along with proposed auction procedures, to the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). Pursuant to Bankruptcy Court Order, an auction was held on July 9, 2001, and a hearing was held on July 12, 2001, to approve the most favorable offers from the bidder(s) for such assets.

On July 19, 2001, OnSite amended the above-referenced petition. In its amendment, OnSite states that, at a hearing held on July 12, 2001, the Bankruptcy Court approved eLink and Focal Financial as the successful bidders in the above-referenced auction.

eLink currently does not hold CPCNs to provide local or interexchange services in Virginia. eLink has filed an application for certification and has requested interim authority to provide service under the tariffs of OnSite. In an Order issued on October 2, 2001, in Case No. PUC010151, the Commission granted eLink Telecommunications of Virginia, Inc., interim authority to operate and to provide local exchange and interexchange telecommunications services to the existing customers of OnSite under the tariffs of OnSite.

OnSite requests approval of three transactions that would allow OnSite to withdraw from the Virginia market. Under the terms of the first transaction, Petitioner requests approval to transfer assets to eLink and Focal Financial. The petition states that the successful bidders will be required to sign an asset purchase agreement and related agreements to ensure the continued provision of services to OnSite's customers, the completion of the transaction, and the seamless transition of OnSite's customers to the purchaser.

Under the terms of the second transaction, OnSite requests approval to discontinue the provision of telecommunications services to other customers within the Commonwealth of Virginia. OnSite states that, to ensure a seamless transition of customers to an alternate provider, a customer notification and transfer plan was developed. OnSite provided notice to its customers of its intent to discontinue service. OnSite states that it intends to discontinue such services as soon as practical in accordance with this Commission's rules and the Bankruptcy Court's decision.

Under the terms of the third transaction, OnSite requests approval to cancel its CPCNs in Virginia. OnSite proposes to discontinue services and cancel its CPCNs upon the completion of the transfer and the transition of OnSite's remaining customers to other carriers. OnSite requests that its CPCNs be cancelled, effective upon receipt of notice to the Commission of such transfer and the completion of transition of its customers. Petitioner seeks expedited processing of this petition.

THE COMMISSION, upon consideration of the petition and representations of the Petitioner and having been advised by its Staff, is of the opinion and finds that the transaction involving the transfer of OnSite's assets to eLink and Focal Financial, as described herein, will neither impair nor jeopardize the provision of adequate service to the public at just and

reasonable rates and that such transfer should, therefore, be approved. The Petitioner's request to discontinue its provision of telecommunications services to those customers not being acquired and its request to cancel its CPCNs should be handled in a separate proceeding. Case No. PUC010173 has been established to address such matters.

Accordingly, IT IS ORDERED THAT:

- 1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, approval is hereby granted for the transfer of assets from OnSite to eLink and Focal Financial, as described herein.
- 2) There appearing nothing further to be done in this matter, it hereby is dismissed.